

HB3408



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3408

by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-111

from Ch. 108 1/2, par. 15-111

Amends the State Universities Article of the Illinois Pension Code. Provides that "earnings" does not include amounts associated with housing allowance or vehicle allowance payable to an employee. Effective immediately.

LRB099 10200 EFG 30425 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 15-111 as follows:

6 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)
7 Sec. 15-111. Earnings.

8 (a) "Earnings": An amount paid for personal services equal
9 to the sum of the basic compensation plus extra compensation
10 for summer teaching, overtime or other extra service. For
11 periods for which an employee receives service credit under
12 subsection (c) of Section 15-113.1 or Section 15-113.2,
13 earnings are equal to the basic compensation on which
14 contributions are paid by the employee during such periods.
15 Compensation for employment which is irregular, intermittent
16 and temporary shall not be considered earnings, unless the
17 participant is also receiving earnings from the employer as an
18 employee under Section 15-107. "Earnings" does not include
19 amounts associated with housing allowance or vehicle allowance
20 payable to an employee.

21 With respect to transition pay paid by the University of
22 Illinois to a person who was a participating employee employed
23 in the fire department of the University of Illinois's

1 Champaign-Urbana campus immediately prior to the elimination
2 of that fire department:

3 (1) "Earnings" includes transition pay paid to the
4 employee on or after the effective date of this amendatory
5 Act of the 91st General Assembly.

6 (2) "Earnings" includes transition pay paid to the
7 employee before the effective date of this amendatory Act
8 of the 91st General Assembly only if (i) employee
9 contributions under Section 15-157 have been withheld from
10 that transition pay or (ii) the employee pays to the System
11 before January 1, 2001 an amount representing employee
12 contributions under Section 15-157 on that transition pay.
13 Employee contributions under item (ii) may be paid in a
14 lump sum, by withholding from additional transition pay
15 accruing before January 1, 2001, or in any other manner
16 approved by the System. Upon payment of the employee
17 contributions on transition pay, the corresponding
18 employer contributions become an obligation of the State.

19 (b) For a Tier 2 member, the annual earnings shall not
20 exceed \$106,800; however, that amount shall annually
21 thereafter be increased by the lesser of (i) 3% of that amount,
22 including all previous adjustments, or (ii) one half the annual
23 unadjusted percentage increase (but not less than zero) in the
24 consumer price index-u for the 12 months ending with the
25 September preceding each November 1, including all previous
26 adjustments.

1 For the purposes of this Section, "consumer price index u"
2 means the index published by the Bureau of Labor Statistics of
3 the United States Department of Labor that measures the average
4 change in prices of goods and services purchased by all urban
5 consumers, United States city average, all items, 1982-84 =
6 100. The new amount resulting from each annual adjustment shall
7 be determined by the Public Pension Division of the Department
8 of Insurance and made available to the boards of the retirement
9 systems and pension funds by November 1 of each year.

10 (c) Notwithstanding any other provision of this Code, the
11 annual earnings of a Tier 1 member for the purposes of this
12 Code shall not exceed, for periods of service on or after the
13 effective date of this amendatory Act of the 98th General
14 Assembly, the greater of (i) the annual limitation determined
15 from time to time under subsection (b-5) of Section 1-160 of
16 this Code, (ii) the annualized rate of earnings of the Tier 1
17 member as of that effective date, or (iii) the annualized rate
18 of earnings of the Tier 1 member immediately preceding the
19 expiration, renewal, or amendment of an employment contract or
20 collective bargaining agreement in effect on that effective
21 date.

22 (Source: P.A. 98-92, eff. 7-16-13; 98-599, eff. 6-1-14.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.